



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, June 11, 2010

Major Developments

Update: Government Scientists Increase Leak Size Estimate to 25,000-30,000 b/d

The government's Flow Rate Technical Group estimated that the blown-out oil well in the U.S. Gulf of Mexico was leaking 25,000 b/d to 30,000 b/d, or far higher than the previous estimate of 12,000 b/d to 19,000 b/d. The new figures, however, were derived with information obtained before BP initiated its latest containment procedure. That process involved cutting a leaking riser pipe so that responders could place a containment cap over top. Some have said that it led to a significant increase in the leak's size. A U.S. Coast Guard official, meanwhile, said BP had come up with a plan to handle 40,000-50,000 b/d of collected oil.

<http://www.nytimes.com/2010/06/12/us/12spill.html?hp>

<http://www.nytimes.com/2010/06/11/us/11spill.html?hp>

Electricity

Update: Tenaska's 830 MW High Desert Power Project Gas-Fired Unit in California Returns to Service by June 10

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201006101515.html>

Duke Energy's 1,100 MW McGuire Nuclear Unit 1 in North Carolina Reduced to 44 Percent by June 11

The Nuclear Regulatory Commission reported that on the morning of June 10 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Xcel to Shut 347 MW Harrington Coal-Fired Unit 1 in Texas June 11

Xcel expected to shut the unit on June 11 "for a short outage for minor maintenance items, including tube leak repairs, voltage regulator check out, and seal oil system work," the company said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=140944>

Update: Dominion's 925 MW North Anna Nuclear Unit 1 in Virginia Ramped Up to 98 Percent by June 11

The Nuclear Regulatory Commission reported that on the morning of June 10 the unit was operating at 78 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramped Up to 90 Percent by June 11

The unit slowed to 28 percent power by June 9 due to an issue with a condenser vacuum, a spokeswoman said previously. The Nuclear Regulatory Commission reported that on the morning of June 10 the unit was operating at 72 percent.

<http://af.reuters.com/article/energyOilNews/idAFN0915582920100609>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

TVA to Reduce Peak Power Demand by up to 560 MW

The Tennessee Valley Authority (TVA) plans to reduce its electricity requirements during periods of highest demand by up to 560 MW, it said on June 9. In 2009, the TVA Board approved a Phase I pilot program that led to a peak power demand reduction of about 160 MW. That program paid participating commercial and industrial customers to reduce the amount of power they used at certain times. TVA plans to introduce Phase II of the program to customers across its seven-state territory. The second phase would continue incentives for the original 160 MW reduction and add another 400 MW by 2012.

http://www.tva.com/news/releases/aprjun10/560_peak.html

To Protect Migrating Fish, BPA Reducing Nuclear and Wind-Based Power Output, Boosting Hydropower across Pacific Northwest

Storms have led to a surplus of river runoff, and a subsequent increase in river nitrogen levels could pose a threat to migrating fish populations. In response, the Bonneville Power Administration (BPA) is working to reduce wind and nuclear-based power generation while it boosts hydroelectric output. BPA asked Energy Northwest to reduce its 1,131 MW Columbia nuclear power plant in Washington to 40 percent of capacity, and said it expected several regional wind farms to remain curtailed.

Reuters, 19:39 June 10, 2010

Petroleum

Syncrude Isolates DRU after Fire at Mildred Lake Oil Sands Facility in Alberta, Canada June 10

Five people were injured after a fire in the plant 7-3 diluent recovery unit (DRU), the company said on June 10. The company's emergency personnel extinguished the blaze, and operators isolated the affected unit. Syncrude said the damage was thought to be minor.

http://www.syncrude.ca/users/news_view.asp?FolderID=5690&NewsID=164

<http://www.businessweek.com/news/2010-06-11/canada-s-syncrude-isolates-alberta-plant-after-fire-update1-.html>

<http://www.vancouversun.com/news/Syncrude+workers+burns+significant/3142127/story.html>

Update: After Fatal April Explosion, Tesoro to Keep 120,000 b/d Anacortes, Washington Refinery Offline at Least through September

Tesoro expects to keep its 120,000 b/d Anacortes, Washington refinery shut through at least September, or three months later than previously planned, a company spokesman said on June 10. Separately, an official from the U.S. Chemical Safety and Hazard Investigation Board said a rupture in a heat exchanger had triggered the April 2 explosion. The rupture led to the release of hydrocarbons, and those hydrocarbons then ignited, he said.

<http://www.foxnews.com/us/2010/06/10/wash-refinery-site-blast-killed-stay-closed-september/>

Unit Shutdown Triggers Flaring at Delek's 60,000 b/d Tyler, Texas Refinery June 10

An equipment problem forced offline an Amine Contactor "for several hours," Delek said in a filing with state regulators. The incident occurred "during exceptionally severe weather conditions."

<http://www11.tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=140967>

Reuters, 12:22 June 11, 2010

Alon to Move or Sell up to 50 Percent of Existing Equipment at Newly-Purchased Bakersfield, California Refinery

Alon plans to spend about the next year reconfiguring its newly-purchased refinery in Bakersfield, California, its CEO said on June 9. The company plans to move or sell between one-third and one-half of the facility's current refining equipment.

http://www.downstreamtoday.com/news/article.aspx?a_id=22954

Blackwater Midstream Corp. Completes New Ship Dock and Three 50,000 Barrel Storage Tanks at Westwego, Louisiana Terminal

The Westwego, Louisiana facility consists of 902,000 barrels of storage capacity, the company said in a release.

<http://www.blackwatermidstream.com/press-releases/Ww-Ship-Dock6-10-10.pdf>

Canadian Natural to Produce 110,000 b/d by End of June at Horizon Oil Sands Project in Alberta, Canada – Facility Yielded Average of 87,000 b/d During First Quarter of 2010

Canadian Natural Resources expects to reach full capacity – 110,000 b/d – by the end of June 2010 at its Horizon oil sands project in Alberta, Canada, the company said on June 10. The company, separately, said it is considering expanding the site to produce 232,000 to 250,000 b/d between 2016 and 2017, and 500,000 b/d at some point thereafter.

http://online.wsj.com/article/BT-CO-20100610-715118.html?mod=WSJ_World_MIDDLEHeadlinesAmericas

Iran Aims to Boost Oil Production by 20 Percent, but Sanctions Could Hamper Plans

Iran expects to increase its oil production capacity to 5 million b/d, or about 20 percent higher than current levels, but sanctions could slow those plans, according to Petroleum Intelligence Weekly.

<http://www.energyintel.com/#latest>

Natural Gas

Update: State DEP Approves Drilling Resumption at Two EOG Resources Natural Gas Wells in Pennsylvania

The Pennsylvania Department of Environmental Protection (DEP) authorized EOG Resources to restart work at two natural gas wells in Pennsylvania, about eight days after a blowout at a third well. The DEP ordered EOG Resources to halt work at all of its Pennsylvania locations after the June 3 blowout. The DEP, however, discovered no operational or environmental violations at EOG Resources' other two locations. The third, blown-out well remains offline, pending an investigation. Separately, the DEP ordered C.C. Forbes to suspend all post-hydraulic fracturing activities on Marcellus Shale wells in Pennsylvania on June 9. C.C. Forbes was the contractor that EOG Resources hired to provide post-hydrofracturing services at the well.

http://www.publicopiniononline.com/statenews/ci_15276113

http://www.portal.state.pa.us/portal/server.pt/community/news_releases/14288

Update: West Virginia DEP Orders AB Resources to Halt In-State Operations after Monday Explosion at Natural Gas Well in Marshall County, West Virginia

The West Virginia Department of Environmental Protection (DEP) issued two notices of violation to AB Resources PA, LLC and ordered the company to halt of its West Virginia operations until the cause of a June 7 explosion can be determined. The DEP said its preliminary investigation found that the operator had failed to follow the plan outlined in the permit, possibly creating conditions that led to the explosion. Seven workers were injured, and a 50-foot flame continues to burn at the site. The violation notices cited AB Resources for failing to set casing at the permitted depth and for inaccurately reporting the coal seam depth in the permit application.

<http://www.dep.wv.gov/news/Pages/WestVirginiaDepartmentofEnvironmentalProtectionTemporarilyHaltsABResourcesOperationsandIssuesNoticesofViolationforMarshallC.aspx>

Other News

Paladin Ethanol Plans to Restart Newly-Acquired, 54 MMGal/Yr. Ethanol Plant in Lima, Ohio by End of 2010

The facility began production in July 2008, under its previous owners, but numerous mechanical and operational issues kept it from running regularly at full capacity. Paladin Ethanol Acquisition Lima LLC plans to retrofit the facility and resume production by the end of 2010, according to tax-related documents.

<http://www.paladincapgroup.com/portfolio/paladinIII.htm#PEA>

http://www.tradingmarkets.com/news/stock-alert/goho_ethanol-to-cook-again-in-lima-filing-with-county-projects-25m-fix-restart-by-january-967172.html

URENCO USA Receives NRC Okay to Begin Commercial Operations at Uranium Enrichment Facility in Eunice, New Mexico June 11

The Nuclear Regulatory Commission (NRC) approved URENCO USA to begin accepting operational delivery of uranium hexafluoride feed stock at its uranium enrichment facility in Eunice, New Mexico. The company expects to enrich uranium for use as nuclear fuel.

<http://www.urenco.com/content/325/URENCO-USA-now-operational-receives-Nuclear-Regulatory-Commission-feed-stock-authorisation-.aspx>

Secretary Chu Announces Nearly \$1 Billion Public-Private Investment in Industrial Carbon Capture and Storage June 10

U.S. Energy Secretary Steven Chu today announced that three projects have been selected to receive up to \$612 million from the American Recovery and Reinvestment Act - matched by \$368 million in private funding - to demonstrate large-scale carbon capture and storage from industrial sources. The projects - located in Texas, Illinois, and Louisiana - were initially selected in October 2009 for phase one research and development grants. Following successful completion of their Phase 1 activities, these three projects were identified as the most promising industrial CCS projects through a competitive process and will now enter into Phase 2 with additional funding to begin design, construction, and operation.

<http://www.energy.gov/news/9065.htm>

Energy Prices

U.S. Oil and Gas Prices			
June 11, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.41	72.40	73.09
NATURAL GAS Henry Hub \$/Million Btu	4.68	4.46	3.56

Source: Reuters

Energy Notes

City of Tallahassee, Florida Reports 10,486 Customers without Power June 11

<http://www.wctv.tv/news/headlines/96162259.html>

Wood-Based Electricity Leads to More CO2 Emissions, Per Unit of Energy, Than Coal, Oil or Natural Gas: Manomet Center for Conservation Sciences in Massachusetts

http://www.boston.com/news/local/massachusetts/articles/2010/06/11/bay_state_rethinking_wood_power/

Citing Rash of Fatal Incidents, OSHA Criticizes Oil-and-Gas Industry's Worker Safety Record

<http://www.miamiherald.com/2010/06/10/1674080/safety-record-of-oil-and-gas-industry.html>

BP's Atlantis Oil-and-Gas Platform in Gulf of Mexico Should Stay Online, Pending Investigation into Safety-Related Allegations: Salazar

<http://www.businessweek.com/news/2010-06-11/bp-atlantis-oil-platform-should-operate-during-probe-u-s-says.html>

State Regulators to Re-examine Previously-Issued Wastewater Discharge Permit for Proposed Cash Creek Coal-to-Natural Gas Facility in Kentucky

<http://www.courier-journal.com/article/20100610/NEWS01/6100355/Proposed+plant+near+Green+River+hits+snag>

Bulgaria Backing Out of Deal for Proposed Russia-to-Greece, Burgas-to-Alexandroupolis, 175-Mile Oil Pipeline, Citing Environmental Issues

<http://www.businessweek.com/ap/financialnews/D9G932B80.htm>

Storm Cuts Power to Love Booster in Texas June 10-11

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=140955>

Transco to Fix Valve along Natural Gas Pipeline Starting June 21 - Company Expects Work to Affect about 15 MMcf/d of Deliveries

<http://www.1line.williams.com/1Line/wgp/download?delvid=3152834&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

EPA Proposes Rule for Storing Coal Ash

http://www.waterworld.com/index/display/article-display/9862015462/articles/industrial-waterworld/2010/issue-3/columns/epa-proposes_new_rule.html

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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